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Investment Report

September 2026

Factum AG
Current positioning:

Portfolio balanced	Neutral	Current	Change*
Liquidity	5%	3%	↘ (-2%)
Bonds	35%	35%	→
Equities	47%	47%	↗ (+2%)
Alternative investments	13%	15%	→

**Changes since the last Investment Report (10 August 2026) & current assessment.*

Strategy overview

«New all-time highs for selected equity indices.»

Equity markets entered August with a positive underlying tone. A temporary easing of tensions in the Middle East, weaker U.S. labour market data and slightly softer inflation figures led to a decline in expectations for further interest rate hikes by the U.S. Federal Reserve. Together with a stabilisation in technology stocks, this enabled major equity indices such as the S&P 500 in the United States and Germany's DAX to reach new record highs.

«Disruptions in the bond market.»

As the month progressed, however, U.S. capital market yields increasingly moved into investors' focus. High government debt and uncertainty surrounding the future course of monetary policy led to a significant increase in long-term U.S. Treasury yields. In response, Treasury Secretary Scott Bessent announced plans to substantially expand buybacks of long-dated government bonds and to increase them further if necessary. However, the dampening effect of these measures on yields proved short-lived. As tensions in the Middle East flared up again, oil prices also moved higher, bringing inflation risks back into sharper focus. This issue also featured prominently in Federal Reserve

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Chair Kevin Warsh's first speech at the Jackson Hole symposium. His assessment that the inflation situation had not improved materially was interpreted by markets as a possible signal of a continued restrictive monetary policy stance and potentially higher policy rates. At present, Fed funds futures are pricing in a probability of around 65% for a 25-basis-point rate hike at the FOMC meeting on 16 September.

All mandates with an equity allocation – increasing the U.S. equity quota by 2%
Despite the various sources of uncertainty around the world, global equity markets continued to demonstrate resilience. The strong rally during the spring was followed by a period of consolidation at elevated levels throughout June and July, without markets losing significant ground. With the release of predominantly very solid first-half earnings, positive sentiment regained the upper hand and the S&P 500 reached new all-time highs. This prompted us to remove the temporary slight underweight in U.S. equities. As a result, our tactical positioning in U.S. equities is now neutral relative to the strategic allocation. This adjustment was implemented primarily by increasing our exposure to the ETF tracking the equal-weighted S&P 500 Index.

«We removed our temporary underweight in U.S. equities during the past month.»

Politics

At the end of August, U.S. President Trump announced what he described as the "largest oil deal in history". He was referring to an agreement with Venezuela that is intended to secure U.S. access to more than 65 billion barrels of crude oil. This represents approximately one-fifth of Venezuela's estimated reserves. Whether, and in what form, the agreement will ultimately be implemented remains to be seen. From the U.S. side, investments of nearly USD 100 billion would be required to restore the country's deteriorating infrastructure. In addition, investments in the production, transportation and processing of crude oil will take time to translate into additional supply. Private companies are also likely to be discouraged by legal uncertainty and the risk that a future administration following Trump may no longer adhere to the agreement.

«The largest oil deal in history.»

There is little doubt, however, about the country's enormous potential. With estimated reserves of 303 billion barrels, Venezuela holds the world's largest oil reserves. These consist primarily of heavy crude, which requires specialised extraction and refining processes. The United States intends to use this potential, not least to replenish its Strategic Petroleum Reserve, which has declined significantly as a result of the conflict in the Middle East. These reserves currently stand at their lowest level in 44 years.

«U.S. oil reserves at their lowest level in 44 years.»

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Economy

The global economy currently remains resilient, even though the geopolitical situation offers little indication of a lasting easing of tensions. Economic momentum in both the Eurozone and Switzerland has recovered, which is particularly reflected in improving consumer sentiment. The Eurozone, and Germany in particular, is experiencing stronger export momentum, supported by the weaker euro relative to the U.S. dollar. While the U.S. economy appears less robust than in the first quarter, capital investment and an unemployment rate that remains low by historical standards continue to support growth. China's economy is benefiting from strong exports of technology products and electric vehicles, while domestic demand continues to be weighed down by the weak property sector.

«The global economy remains resilient.»

Equity Markets

U.S. equity markets remained resilient over the past five weeks despite intermittent volatility. The major technology companies and their substantial investments in artificial intelligence continued to attract particular attention. The latest earnings season provided further compelling evidence of the operational momentum within the AI sector: Microsoft, Amazon, Alphabet and Meta reported strong growth across their cloud and AI businesses, while NVIDIA once again highlighted the enormous demand for AI infrastructure, reporting quarterly revenues of approximately USD 96 billion and growth of more than 100%. The outlook for the current quarter also remained exceptionally strong, with expected revenues of around USD 108 billion.

«U.S. technology stocks have regained momentum.»

At the same time, investors' focus has shifted somewhat. While strong earnings and continued demand for AI infrastructure continue to support optimism, the sheer scale of investment is increasingly moving into the spotlight. Alphabet, Amazon, Microsoft and Meta are collectively planning to invest several hundred billion U.S. dollars in data centers, chips and additional AI infrastructure in 2026. The market is therefore increasingly asking when, and to what extent, these expenditures will translate into additional revenues and profits.

«Will the enormous investment sums pay off?»

Overall, the structural trend surrounding artificial intelligence remains intact and the earnings performance of the leading companies continues to be impressive. At the same time, expectations and valuations for many AI-related stocks are already elevated. Over the coming months, the key question is therefore likely to be less whether AI will continue to grow, but rather whether earnings can keep pace with elevated expectations and substantial investment levels. This supports a continued constructive, albeit increasingly selective, view of the U.S. technology sector.

«The outlook for the IT sector remains constructive but selective.»

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This is also one of the reasons why we implemented the recent increase in our U.S. equity allocation through an ETF tracking the equal-weighted S&P 500 Index.

Bond Markets

The past few weeks have been characterised by a noticeable rise in yields and a reassessment of interest rate expectations in the U.S. bond market. The yield on 10-year U.S. Treasuries increased from around 4.5% to just under 4.8%, reaching its highest level since the beginning of 2025. At the same time, short-term yields rose more sharply as market participants revised their expectations for Federal Reserve monetary policy upwards. According to Fed funds futures, the probability of a 25-basis-point rate hike by the Fed in mid-September has increased to around 65%. Whether this will materialise remains to be seen, as continued progress in bringing inflation down would allow the Fed to leave interest rates unchanged for the remainder of the year.

«The yield on 10-year U.S. Treasuries rose to its highest level since the beginning of 2025.»

The decisive catalyst came at the end of August, when Federal Reserve Chair Kevin Warsh delivered notably hawkish remarks at the Jackson Hole symposium. His comments on persistently elevated inflation led to a significant increase in the probability of a rate hike in September. As a result, the “higher for longer” interest rate narrative has gained renewed momentum. In addition, high levels of U.S. government debt, substantial bond issuance and recently rising energy prices continue to exert upward pressure on long-term yields. For investors, the risk-return profile of U.S. Treasuries has therefore improved. At the same time, interest rate risk remains elevated, particularly at the long end of the yield curve. The upcoming inflation and labour market data are now likely to be decisive for the further development of yields. If inflationary pressures remain persistent, upward pressure on yields is likely to continue. Conversely, a weakening in economic activity or easing price pressures could once again lead to declining yields.

«Jackson Hole delivered new insights.»

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10-year U.S. treasuries yield in %

Commodities

Gold performed strongly in August, gaining around 10% in value. The price was supported in particular by a weaker U.S. dollar, continued demand for gold as a store of value and the recent interventions by the U.S. Treasury in the U.S. bond market. Geopolitical and economic uncertainties provided additional support. On the other hand, elevated real interest rates and a restrictive monetary policy stance remain significant risk factors. The broader commodity markets delivered a mixed performance. Precious and industrial metals benefited from robust demand, while the energy sector was characterised by increased volatility. The development of the U.S. dollar and real interest rates remains of critical importance. We maintain our overweight allocation to gold and commodities, as we currently see no reason to adjust these weightings.

«Gold recorded a strong month, gaining around 10%.»

Currencies

For Bitcoin, the leading cryptocurrency, the past few months have been a prolonged period of consolidation. This dry spell now appears to have come to an end, however, with Bitcoin recording a spectacular breakout. The price rose above the USD 70,000 threshold for the first time since June and reached an intraday high of more than USD 80,000. In August, the cryptocurrency gained around 25%. We attribute this development to a combination of monetary policy signals, political tailwinds and a substantial wave of liquidations in the derivatives markets. Risk-seeking investors had apparently positioned themselves for further declines in Bitcoin, resulting in significant losses when the price moved sharply higher.

«Bitcoin is once again trading well above USD 70’000.»

Another key catalyst was the U.S. Treasury's announcement that it would expand its ongoing bond buyback programme. This intervention pushed the U.S. dollar to a three-month low. At the same time, President Trump expressed confidence in the sector during meetings at the White House with representatives of leading cryptocurrency companies, including Coinbase, Ripple and Gemini. Trump indicated that his administration would provide stronger support for the industry in order to maintain the United States' competitive position relative to China in the geopolitical race for technological leadership. We hold Bitcoin as a tactical allocation of approximately 1% in our strategy fund, FACTUM Funds, which currently has assets under management of CHF 110 million.

«The White House threw its support behind cryptocurrency companies.»

Bitcoin

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Market overview 31 August 2026

Stock indices (in local currency)	Current	1 Mt (%)	YtD (%)
SMI	14,286.43	-0.41	10.84
SPI	20,111.20	-0.25	10.38
Euro Stoxx 50	6,420.16	1.04	13.52
Dow Jones	53,185.90	1.47	11.79
S&P 500	7,686.14	2.72	13.12
Nasdaq	26,370.89	3.99	13.90
Nikkei 225	66,311.93	3.08	32.93
MSCI Emerging Markets	1,719.31	3.39	24.33
Commodities			
Gold (USD/fine ounce)	4,437.38	9.67	2.73
WTI oil (USD/barrel)	85.76	1.29	49.36
Bond markets (change in basis points)			
US Treasury Bonds 10Y (USD)	4.75	0.02	0.58
Swiss Eidgenossen 10Y (CHF)	0.44	0.01	0.12
German Bundesanleihen 10Y (EUR)	3.32	0.12	0.47
Currencies			
EUR/CHF	0.94	0.94	0.90
USD/CHF	0.81	0.11	1.99
EUR/USD	1.16	0.79	-1.09
GBP/CHF	1.10	0.61	2.57
JPY/CHF	0.51	-1.25	0.02
JPY/USD	0.01	-1.46	-1.90
XBT/USD (Bitcoin)	78,853.76	25.37	-10.03

Author: Christof Wille, Dip. Private Banking Expert NDS
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